

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6261

BILL NUMBER: HB 1274

NOTE PREPARED: Feb 24, 2005

BILL AMENDED:

SUBJECT: Public Works Projects.

FIRST AUTHOR: Rep. Lehe

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the plans, specifications, and contract documents for a public works project may not require bidders, contractors, or subcontractors to enter into or comply with certain agreements with labor organizations. It provides a cause of action to challenge the award of a contract that violates these provisions.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The bill does not allow a public works contract to:

1. Require a bidder, contractor, or subcontractor to enter into or comply with an agreement with a labor organization on a project or related project.
2. Discriminate against a bidder, contractor, or subcontractor for refusing to enter into, continue, or comply with an agreement with a labor organization on a project or related project.
3. Require a bidder, contractor, or subcontractor to enter into, continue, or comply with an agreement that requires employees, as a condition of employment, to become members of a labor organization or over the objection of the employee, pay dues or fees that exceed the employee's share of the labor organization's cost relating to collective bargaining, contract, administration, or grievance adjustment.

A bidder, employee, or taxpayer can sue if the contract contains the provisions prohibited by this bill. The court may violate the provision of the contract that are in conflict with this bill, award cost and attorney fees, and other appropriate relief.

The impact on state and local units is unknown, but would probably be minor.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

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